



Federal Communications Commission  
Washington, D.C. 20554

JAN 7 1997

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JAN 10 1997

The Honorable Phil Gramm  
United States Senator  
2323 Bryan Street, #1500  
Dallas, Texas 75201

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Dear Senator Gramm:

Thank you for your memorandum dated December 5, 1996, on behalf of your constituent, Jim Duff. Mr. Duff expresses concern regarding the activities of Nextel Communications (Nextel) in providing 800 MHz Specialized Mobile Radio (SMR) service. Specifically, Mr. Duff states that Nextel intends to replace the existing system with a new digital system that will require Mr. Duff to obtain new equipment at substantial cost.

The Commission does not dictate the type of equipment to be used by SMR licensees. In light of the constant technological advances in mobile radio technology, we have found it preferable to allow licensees to freely adapt and upgrade their technology in response to customer demand rather than to impose rigid technical requirements by regulation. While we recognize that equipment changes may sometimes cause disruption to customers, the array of new services and technologies being introduced to the market will offer substantial public benefits. Nonetheless, we have received similar complaints from other small business customers of Nextel, and we have encouraged Nextel to work with these customers to achieve a mutually agreeable solution. To that end, we will forward a copy of Mr. Duff's letter to Nextel so that they may look into the matter further.

Additionally, we note that the Commission is also taking several steps to ensure that customers such as Mr. Duff have competitive and low-cost alternatives available to them if a given service provider raises rates or requires them to undergo an expensive equipment upgrade. For instance, in addition to 800 MHz SMR channels, there are channels in Mr. Duff's area allocated for land mobile radio services targeted to business, industrial, land transportation, and public safety uses. The Commission is also licensing land mobile radio service providers in the 900 MHz SMR service, and is conducting a rulemaking to increase capacity for mobile radio users on UHF frequencies. Finally, the Commission has recently allowed common carriers such as cellular licensees to enter the dispatch radio market, which

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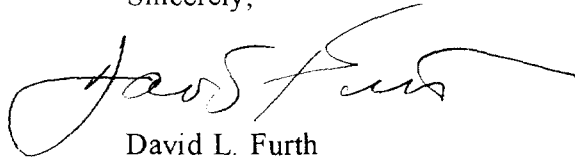
The Honorable Phil Gramm

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our regulations previously did not allow. With these changes in our rules, there are now many more licensees who are eligible to provide the type of low-cost mobile radio service that Mr. Duff seeks.

Thank you for your inquiry.

Sincerely,

A handwritten signature in cursive script, appearing to read "David L. Furth". The signature is fluid and extends to the right with a long horizontal stroke.

David L. Furth  
Chief, Commercial Wireless Division  
Wireless Telecommunications Bureau

Phil Gramm  
Texas

## United States Senate

### MEMORANDUM

Date:

12-3

Federal Communications Commission  
Office of Congressional Affairs  
1919 M Street, N.W.  
Washington, D.C. 20554

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PR

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My constituent has sent me the enclosed communication, and I would appreciate a response which addresses his/her concerns.

Please send your response, together with the constituent's correspondence, to the following address:

Office of Senator Phil Gramm  
2323 Bryan Street, #1500  
Dallas, Texas 75201

Attention: Brett Brewer



3250 LODESTAR  
HOUSTON, TEXAS 77032  
(713) 821-8268  
WATS (800) 808-8268  
FAX (713) 821-7932

DEC 9 2 1996

November 21, 1996

To: The Honorable Phil Gramm  
370 Russell Senate Building  
Washington, D.C. 20515

Dear Mr. Gramm:

I am writing to express my concerns over the monopoly being created by Nextel Communications in conjunction with Motorola. Nextel has been very aggressive in purchasing repeater sites from small companies for the past several years. They now control the majority of the markets in the entire United States and in some cities are the "only game in town."

Nextel originally had opposition from Motorola until they conveniently sold Motorola 25% of the company in return for Motorola repeater sites. Their plan has been very clear for years, monopolize the market, and it is now reality.

Eagle Freight Services is now being instructed by Nextel that we will need to connect to their new digital systems as they are shutting down repeater sites that currently handle our communication needs. This practice, if allowed to continue, will make my equipment useless, when in fact most of our radio equipment is six to eighteen months old. Current investment (\$250,000.)

I cannot understand how the FCC could have let this happen. The take it or leave it attitude of Nextel is not an approach I appreciate in business.

Mr. Gramm, I would greatly appreciate your input in this matter. Businesses, such as Eagle, as well as many of our competitors are being backed into a corner. What can be done?

Sincerely,

Jim Duff  
Vice President Operations  
Eagle Freight Services, Inc.